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Joseph J. Tabacco, Jr. (Bar No. 75484)
 Christopher T. Heffelfinger (Bar No. 118058)

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BERMAN DEVALERIO
 425 California Street, Suite 2100
 San Francisco, CA 94104

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Tel: (415) 433-3200

Fax: (415) 433-6382

Email: jtabacco@bermandevalerio.com
 cheffelfinger@bermandevalerio.com

RICHARD W. WIEKING
 CLERK, U.S. DISTRICT COURT
 NORTHERN DISTRICT OF CALIFORNIA

Counsel for Plaintiff

[Additional counsel listed on signature page]

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UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

SAN FRANCISCO DIVISION

5186

UNIVISIONS-CRIMSON HOLDING, INC.,)
 on behalf of itself and all others similarly)
 situated,)

Civil Action No.

CLASS ACTION COMPLAINT

Plaintiff,

DEMAND FOR JURY TRIAL

v.

CLASS ACTION

SONY CORPORATION; SONY OPTIARC)
 INC.; SONY OPTIARC AMERICA INC.;)
 TOSHIBA CORPORATION; SAMSUNG)
 ELECTRONICS COMPANY, LTD.;)
 TOSHIBA SAMSUNG STORAGE)
 TECHNOLOGY CORPORATION;)
 HITACHI, LTD.; HITACHI-LG DATA)
 STORAGE, INC.; LG CORPORATION; and)
 NEC CORPORATION,)

Defendants.

1 Plaintiff Univisions-Crimson Holding, Inc. (“Univisions-Crimson” or “Plaintiff”), on
2 behalf of itself and all others similarly situated (the “Class”), brings this action for damages and
3 injunctive relief under the antitrust laws of the United States against defendants Sony
4 Corporation; Sony Optiarc Inc.; Sony Optiarc America Inc.; Toshiba Corporation; Toshiba
5 Samsung Storage Technology Corporation; Samsung Electronics Company, Ltd.; Hitachi Ltd.;
6 Hitachi-LG Data Storage Inc.; LG Electronics Inc.; and NEC Corporation (collectively
7 “Defendants,” unless separately identified). On information and belief, Plaintiff alleges the
8 following:

9 I. INTRODUCTION

10 1. Plaintiff brings this antitrust class action on behalf of all persons and entities who
11 directly purchased Optical Disc Drive Products (as defined below), in the United States from the
12 Defendants, any subsidiaries or affiliates thereof, or any co-conspirators as identified in this
13 Complaint from at least 2005 to the present (the “Class Period”). Optical disc drives are devices
14 that use laser light or electromagnetic waves near the light spectrum in order to read and/or
15 record information electronically-stored on CD, DVD, and Blu-Ray media. Optical disc drives
16 are the primary component of a wide variety of consumer products. As used herein, “Optical
17 Disc Drive Products” refers to optical disc drives, and any products containing optical disc
18 drives, manufactured by any of the Defendants or their subsidiaries, affiliates, or co-conspirators.

19 2. Beginning in at least 2005, Defendants engaged in a conspiracy to fix, raise, or
20 maintain the prices of Optical Disc Drive Products sold in the United States in violation of
21 Section 1 of the Sherman Act, 15 U.S.C. § 1. As a result of Defendants’ unlawful conduct,
22 Plaintiff and the other members of the Class paid higher prices for Optical Disc Drive Products
23 than they would have paid in a competitive market.

24 II. JURISIDCTION AND VENUE

25 3. Plaintiff brings this action to obtain injunctive relief and to recover damages,
26 including treble damages, costs of suit, and reasonable attorneys’ fees arising from Defendants’
27 violations of Section 1 of the Sherman Act, 15 U.S.C. § 1.
28

1 4. The Court has subject matter jurisdiction pursuant to Sections 4 and 16 of the
2 Clayton Act, 15 U.S.C. §§ 15 and 26, and 28 U.S.C. §§ 1331 and 1337.

3 5. Venue is proper in this judicial District pursuant to Section 12 of the Clayton Act,
4 15 U.S.C. § 22, and 28 U.S.C. § 1391(b), (c), and (d) because a substantial part of the events
5 giving rise to Plaintiff's claims occurred in this District, a substantial portion of the affected
6 interstate trade and commerce was carried out in this District, and one or more of the Defendants
7 reside in this District.

8 6. Defendants are subject to the jurisdiction of this Court by virtue of their
9 nationwide contacts and other activities, as well as their contacts with the State of California.

10 **III. PARTIES**

11 **Plaintiff**

12 7. Plaintiff Univisions-Crimson is a New York corporation with its principal place
13 of business in Syracuse, New York. During the Class Period, Plaintiff purchased Optical Disc
14 Drive Products directly from one of the Defendants and suffered injury as a result of Defendants'
15 unlawful conduct.

16 **Defendants**

17 8. Sony Corporation ("Sony Corp.") is a Japanese company with its principal place
18 of business at 1-7-1 Konan, Minato-ku, Tokyo, 108-0075, Japan. Sony Corp. is the parent
19 corporation of Defendant Sony Optiarc Inc., and ultimate parent of Defendant Sony Optiarc
20 America Inc. During the Class Period, Sony Corp. manufactured, sold and/or distributed Optical
21 Disc Drive Products to customers throughout the United States, either directly or through its
22 affiliated companies.

23 9. Sony Optiarc Inc. ("Sony Optiarc") is a Japanese company with its principal place
24 of business at 4-16-1 Okata, Atsugi-Shi, Kanagawa, 243-0021, Japan. Sony Optiarc is a wholly-
25 owned subsidiary of Defendant Sony Corp. and the parent corporation of Defendant Sony
26 Optiarc America Inc. Prior to 2008, when NEC Corporation sold its interest to Sony Corp., Sony
27 Optiarc was known as Sony NEC Optiarc Inc., a joint venture between Sony Corporation and
28 NEC Corporation. During the Class Period, Sony Optiarc manufactured, sold and/or distributed

1 Optical Disc Drive Products to customers throughout the United States, either directly or through
2 its affiliated companies.

3 10. Sony Optiarc America Inc. ("Sony Optiarc America") is an American company
4 with its principal place of business at 1730 North First Street, San Jose, California, 95112. Sony
5 Optiarc America is a wholly-owned subsidiary of Defendant Sony Optiarc. During the Class
6 Period, Sony Optiarc America manufactured, sold and/or distributed Optical Disc Drive Products
7 to customers throughout the United States, either directly or through its affiliated companies.

8 11. Toshiba Corporation ("Toshiba") is a Japanese company with its principal place
9 of business at 1-1, Shibaura 1-chome, Minato-ku, Tokyo, 105-8001, Japan. Toshiba owns 51%
10 of Defendant Toshiba Samsung Storage Technology Corporation. During the Class Period,
11 Toshiba manufactured, sold and/or distributed Optical Disc Drive Products to customers
12 throughout the United States, either directly or through its affiliated companies.

13 12. Samsung Electronics Company, Ltd. ("Samsung") is a Korean company with its
14 principal place of business at Samsung Main Building, 250, Taepyeongno 2-ga, Jung-gu, Seoul,
15 100-742, Korea. Samsung owns 49% of Defendant Toshiba Samsung Storage Technology
16 Corporation. During the Class Period, Samsung manufactured, sold and/or distributed Optical
17 Disc Drive Products to customers throughout the United States, either directly or through its
18 affiliated companies.

19 13. Toshiba Samsung Storage Technology Corporation ("TSST") is a Japanese
20 company with its principal place of business at 1-1, Shibaura 1-chome, Minato-ku, Tokyo, 105-
21 8001, Japan. TSST is a joint venture between Defendants Toshiba and Samsung. During the
22 Class Period, TSST manufactured, sold and/or distributed Optical Disc Drive Products to
23 customers throughout the United States, either directly or through its affiliated companies.

24 14. Hitachi, Ltd. ("Hitachi") is a Japanese company with its principal place of
25 business at 6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo, 100-8280, Japan. Hitachi owns 51%
26 of Defendant Hitachi-LG Data Storage, Inc. During the Class Period, Hitachi manufactured,
27 sold and/or distributed Optical Disc Drive Products to customers throughout the United States,
28 either directly or through its affiliated companies.

1 15. LG Corporation ("LG") is a Korean company with its principal place of business
2 at LG Twin Towers, 20 Youido-dong, Yeongdeungpo-gu, Seoul, 150-721, Korea. LG owns
3 49% of defendant Hitachi-LG Data Storage, Inc. During the Class Period, LG manufactured,
4 sold and/or distributed Optical Disc Drive Products to customers throughout the United States,
5 either directly or through its affiliated companies.

6 16. Hitachi-LG Data Storage, Inc. ("Hitachi-LG") is a Japanese and Korean company
7 with its principal places of businesses at 4F MSC Center Bldg., 22-23, Kaigan 3-chome, Minato-
8 ku, Tokyo, 108-0022, Japan and LG Gasan Digital Center, 459-9, Gasan-dong, Geumcheon-gu,
9 Seoul, 153-803, Korea. Hitachi-LG is a joint venture between Defendants Hitachi and LG.
10 During the Class Period, Hitachi-LG manufactured, sold and/or distributed Optical Disc Drive
11 Products to customers throughout the United States, either directly or through its affiliated
12 companies.

13 17. NEC Corporation ("NEC") is a Japanese company with its principal place of
14 business at 7-1 Shiba, 5-chome, Minato-Ku, Tokyo, 108-8001, Japan. Prior to 2008, NEC
15 owned 45% of Defendant Sony Optiarc. During the Class Period NEC manufactured, sold
16 and/or distributed Optical Disc Drive Products to customers throughout the United States, either
17 directly or through its affiliated companies.

18 **IV. AGENTS AND CO-CONSPIRATORS**

19 18. Defendants' conduct, as alleged herein, was authorized, ordered, or done by their
20 officers, agents, employees, or representatives, while actively engaged in the management and
21 operation of Defendants' businesses or affairs.

22 19. Each Defendant acted as the principal, agent, or joint venturer of, or for, other
23 Defendants with respect to the acts, violations, and common course of conduct Plaintiff alleges
24 herein.

25 20. Various persons and/or firms not named as Defendants in this Complaint
26 participated as co-conspirators in the violations alleged herein and may have performed acts and
27 made statements in furtherance thereof.

1 **V. CLASS ACTION ALLEGATIONS**

2 21. Plaintiff brings this action on behalf of itself and all others similarly situated (the
3 "Class") pursuant to Federal Rules of Civil Procedure 23(a), 23(b)(2), and 23(b)(3). The Class is
4 defined as follows:

5 All persons and entities who, during the Class Period, purchased an
6 Optical Disc Drive Product in the United States directly from any
7 Defendant, co-conspirator, or subsidiary or affiliate thereof.
8 Excluded from the Class are Defendants, their parent companies,
9 subsidiaries and affiliates, any co-conspirators, all governmental
10 entities, and any judges or justices assigned to hear any aspect of
11 this action.

12 22. The Class includes those who bought an Optical Disc Drive Product directly from
13 a Defendant, even if the optical disc drive contained therein was manufactured by an affiliated
14 entity, principal, agent, or co-conspirator.

15 23. Plaintiff does not know the exact size of the Class because such information is in
16 Defendants' exclusive control. Due to the nature of the trade and commerce involved, however,
17 Plaintiff believes that the Class members are numerous and geographically dispersed throughout
18 the United States, rendering joinder of all Class members impracticable.

19 24. The questions of law or fact common to the Class include, but are not limited to:

- 20 (a) whether Defendants engaged in a contract, combination, and/or conspiracy
21 to fix, raise, maintain, or stabilize prices of Optical Disc Drive Products
22 sold in the United States;
23 (b) whether Defendants engaged in a contract, combination, and/or conspiracy
24 to restrict output of Optical Disc Drive Products sold in the United States;
25 (c) whether Defendants' conduct caused the prices of Optical Disc Drive
26 Products sold in the United States to be at artificially high and
27 noncompetitive levels;
28 (d) whether Plaintiff and other members of the Class were injured by
Defendants' conduct, and, if so, the appropriate Class-wide measure of
damages for Class members; and

(e) whether Plaintiff and other members of the Class are entitled to, among other things, injunctive relief, and if so, the nature and extent of such injunctive relief.

25. These and other questions of law and fact are common to the Class, and predominate over any questions affecting only individual Class members.

26. Plaintiff's claims are typical of other Class members' claims because Plaintiff directly purchased Optical Disc Drive Products from one or more of the Defendants.

27. Plaintiff will fairly and adequately represent the interests of the Class in that Plaintiff is a direct purchaser of Optical Disc Drive Products and has no conflict with any other Class member. Furthermore, Plaintiff has retained competent counsel experienced in antitrust, class action, and other complex litigation.

28. Defendants have acted on grounds generally applicable to the Class, thereby making final injunctive relief appropriate with respect to the Class as a whole.

29. This class action is superior to the alternatives, if any, for the fair and efficient adjudication of this controversy. Prosecution as a class action will eliminate the possibility of repetitive litigation. There will be no material difficulty in the management of this action as a class action.

30. The prosecution of separate actions by individual Class members would create the risk of inconsistent or varying adjudications, establishing incompatible standards of conduct for Defendants.

VI. TRADE AND COMMERCE

31. During the Class Period, each Defendant, or one or more of its affiliated companies, sold Optical Disc Drive Products in the United States in a continuous and uninterrupted flow of interstate commerce and foreign commerce, including through and into this District.

32. During the Class Period, Defendants collectively controlled a large share of the market for Optical Disc Drive Products, both globally and in the United States.

1 33. Defendants' business activities substantially affected interstate trade and
2 commerce in the United States and caused antitrust injury in the United States.

3 **VII. GOVERNMENT INVESTIGATIONS**

4 34. In October 2009, the United States Department of Justice ("DOJ") acknowledged
5 that it had commenced an investigation into anticompetitive conduct—including price-fixing,
6 bid-rigging and allocation of markets—in the optical disc drive industry and that, in connection
7 with that investigation, it had served subpoenas on Defendants Sony Optiarc America, Hitachi-
8 LG, and TSST.

9 35. On October 23, 2009, Defendant Sony filed its Form 6-K with the United States
10 Securities and Exchange Commission, confirming that investigation and stating:

11 Sony Corporation said today that its U.S. subsidiary, Sony Optiarc
12 America Inc., has received a subpoena from the U.S. Department
13 of Justice (DOJ) Antitrust Division seeking information about its
14 optical disk drive business. Sony understands that the DOJ and
 agencies outside the United States are investigating competition in
 optical disk drives. Sony intends to cooperate fully with the DOJ
 and other agencies in this inquiry.

15 36. In October 2009, Defendants Hitachi and Toshiba also acknowledged that their
16 optical disc drive operations—Hitachi-LG and TSST—had received subpoenas from the DOJ in
17 connection with its investigation into the optical disc drive industry.

18 37. Hitachi also confirmed that its optical disc drive unit was under investigation by
19 European Union and Singaporean regulators. Toshiba also revealed that its optical disc drive
20 unit was also answering queries from authorities in other regions.

21 **VIII. FRAUDULENT CONCEALMENT**

22 38. Plaintiff had neither actual nor constructive knowledge of the facts supporting its
23 claim for relief despite diligence in trying to discover the pertinent facts. Plaintiff and other
24 members of the Class did not discover, and could not have discovered through the exercise of
25 reasonable diligence, the existence of the conspiracy alleged herein until October 2009, when the
26 DOJ investigation became public. Defendants engaged in a secret conspiracy that did not give
27 rise to facts that would put Plaintiff or the other members of the Class on inquiry notice that there
28 was a conspiracy to fix the prices of Optical Disc Drive Products.

1 39. As a result of Defendants' fraudulent concealment of their conspiracy, the running
2 of any statute of limitations has been tolled with respect to any claims of Plaintiff and the other
3 members of the Class arising from the anticompetitive conduct alleged in this Complaint.

4 **IX. CLAIM FOR VIOLATIONS OF 15 U.S.C. § 1**

5 40. Plaintiff incorporates by reference all the above allegations as if fully set forth
6 herein.

7 41. Beginning no later than 2005, the exact date being unknown to Plaintiff and
8 exclusively within Defendants' knowledge, Defendants and their co-conspirators entered into a
9 continuing contract, combination or conspiracy to unreasonably restrain trade and commerce in
10 violation of Section 1 of the Sherman Act, 15 U.S.C. § 1, by artificially reducing or eliminating
11 competition in the United States for Optical Disc Drive Products.

12 42. In particular, Defendants combined and conspired to raise, fix, maintain, and/or
13 stabilize the prices of Optical Disc Drive Products sold in the United States.

14 43. As a result of Defendants' unlawful conduct, prices for Optical Disc Drive
15 Products were raised, fixed, maintained, and/or stabilized in the United States.

16 44. The contract, combination, or conspiracy among Defendants consisted of a
17 continuing agreement, understanding, and concerted action among Defendants and their co-
18 conspirators.

19 45. For purposes of formulating and effectuating their contract, combination, or
20 conspiracy, Defendants and their co-conspirators did those things they contracted, combined, or
21 conspired to do, including:

- 22 (a) participating in meetings and conversations to discuss the prices and
23 supply of Optical Disc Drive Products;
- 24 (b) communicating in writing and orally to fix target prices and price ranges
25 for Optical Disc Drive Products;
- 26 (c) agreeing to manipulate prices and supply of Optical Disc Drive Products
27 sold in the United States in a manner that deprived direct purchasers of
28 free and open competition;

- (d) issuing price announcements and price quotations in accordance with the agreements reached;
- (e) selling Optical Disc Drive Products to customers in the United States at non-competitive prices;
- (f) exchanging competitively sensitive information in order to facilitate their conspiracy; and
- (g) agreeing to maintain or lower production capacity.

46. As a result of Defendants' unlawful conduct, Plaintiff and other members of the Class were injured in their businesses and property in that they paid more for Optical Disc Drive Products than they otherwise would have paid in the absence of Defendants' unlawful conduct.

X. REQUEST FOR RELIEF

WHEREFORE, Plaintiff prays that the Court enter judgment on its behalf and on behalf of the Class herein, adjudging and decreeing that:

- A. This action may proceed as a class action, with Plaintiff as the designated Class representative and its counsel as Class Counsel;
- B. Defendants engaged in a contract, combination, or conspiracy in violation of Section 1 of the Sherman Act, 15 U.S.C. § 1, and Plaintiff and other members of the Class were injured in their business and property as a result of Defendants' violations;
- C. Plaintiff and other members of the Class shall recover damages sustained by them, as provided by the federal antitrust laws, and a joint and several judgment in favor of Plaintiff and other members of the Class shall be entered against the Defendants in an amount to be trebled in accordance with such laws;
- D. Defendants, their subsidiaries, affiliates, successors, transferees, assignees and the respective officers, directors, partners, agents, and employees thereof and all other persons acting or claiming to act on their behalf, shall be permanently enjoined

1 and restrained from continuing and maintaining the combination, conspiracy or
2 agreement alleged herein;

3 E. Plaintiff and the other members of the Class shall be awarded pre-judgment and
4 post-judgment interest, and such interest shall be awarded at the highest legal rate
5 from and after the date of service of the initial complaint in this action;

6 F. Plaintiff and the other members of the Class shall recover their costs of this suit,
7 including reasonable attorneys' fees as provided by law; and

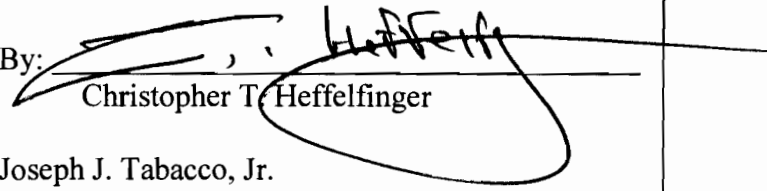
8 G. Plaintiff and the other members of the Class shall receive such other or further
9 relief as may be just and proper.

10 **XI. JURY TRIAL DEMANDED**

11 Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, Plaintiff demands a jury
12 trial as to all claims and issues so triable.

13 Dated: November 2, 2009

Respectfully submitted,
BERMAN DEVALERIO

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15 By: 
16 Christopher T. Heffelfinger

17 Joseph J. Tabacco, Jr.
18 Todd A. Seaver
19 Matthew W. Ruan
20 425 California Street, Suite 2100
21 San Francisco, CA 94104
22 Telephone: (415) 433-3200
23 Facsimile: (415) 433-6382
24 Email: jtabacco@bermandevalerio.com
25 cheffelfinger@bermandevalerio.com
26 tseaver@bermandevalerio.com
27 mruan@bermandevalerio.com
28

1
2 Manuel J. Dominguez
3 Daniel A. Bushell
4 Marc J. Greenspon
5 **BERMAN DeVALERIO**
6 4280 Professional Center Drive, Suite 350
7 Palm Beach Gardens, FL 33410
8 Telephone: (415) 433-3200
9 Facsimile: (415) 433-6382
10 Email: jdominguez@bermandevalerio.com
11 dbushell@bermandevalerio.com
12 mjgreenspon@bermandevalerio.com

13
14 Peter A. Pease
15 Nathaniel L. Orenstein
16 **BERMAN DeVALERIO**
17 One Liberty Square
18 Boston, MA 02109
19 Telephone: (415) 433-3200
20 Facsimile: (415) 433-6382
21 Email: ppease@bermandevalerio.com
22 norenstein@bermandevalerio.com

23
24 Mary Jane Fait
25 Adam J. Levitt
26 Michael D. Yanovsky
27 **WOLF HALDENSTEIN ADLER**
28 **FREEMAN & HERZ LLC**
55 West Monroe Street, Suite 1111
Chicago, IL 60603
Telephone: (312) 984-0000
Facsimile: (312) 984-0001
Email: fait@whafh.com
levitt@whafh.com
yanovsky@whafh.com

Francis M. Gregorek
WOLF HALDENSTEIN ADLER
FREEMAN & HERZ LLC
Symphony Towers
750 B Street, Suite 2770
San Diego, CA 92101
Telephone: (619) 239-4599
Facsimile: (619) 234-4599
Email: gregorek@whafh.com

Counsel for Plaintiff